

## Message Text

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56

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
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R 311220Z JUL 76

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 5713

C O N F I D E N T I A L CAIRO 10292

EXDIS

EO 11652: GDS

TAGS: PFOR EINV EG US

SUBJECT: FORD PROJECT

REF: CAIRO 10100

1. AFTER TODAY'S AGREEMENT SIGNING CEREMONY, I ASKED MINECON ZAKI SHAFEI FOR HIS UNDERSTANDING OF CURRENT STATUS OF FORD PROJECT. HE CLAIMED GOE IS AWAITING "NEW FEASIBILITY STUDY" WHICH FORD HAD INDICATED IT WOULD DO IN CONNECTION WITH CHANGE TO FREE ZONE PROJECT AS REQUESTED BY EGYPTIANS.

2. I MENTIONED TO SHAFEI FAHMY COMMENT ABOUT THE FORD EQUITY. SHAFEI ACKNOWLEDGED THAT THIS IS ONE FACTOR WHICH IS UNSATISFACTORY TO GOE, BUT RECALLED FORD HAD ALSO ASKED FOR WAIVER OF CERTAIN PROVISIONS OF LAW 43 AND OTHER LAWS. THIS GOE IS UNABLE TO DO. I POINTED OUT THAT SOME CHANGES IN THE LAW WOULD BE NEEDED EVEN IN CONNECTION WITH FREE ZONE PROJECT, SINCE FORD WILL WANT TO SELL SOME OF ITS TRUCKS IN EGYPT AND CUSTOMS DUTIES WILL SOMEHOW HAVE TO BE ELIMINATED. SHAFEI AGREED THAT THIS IS SO.

3. I THEN TOLD SHAFEI THAT IT IS MY IMPRESSION THAT FORD IS CURRENTLY VERY UNCERTAIN OF GOE INTENTIONS WITH RESPECT OF THE PROJECT. IN THE CIRCUMSTANCES, I HAD RECOMMENDED THT WILLIAMS AND FREDERICKS COME  
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TO CAIRO FOR EXPLORATORY TALKS ON THIS SUBJECT. I

SAW LITTLE POINT IN EXTENSIVE DISCUSSIONS WITH TECHNICAL COMMITTEE, BUT THOUGHT THAT THEY OUGHT TO TALK WITH HIM, FAHMY AND THE PRIMIN IN ORDER TO MAKE THEIR OWN JUDGMENT ON A) DEGREE OF GOE INTEREST IN THE PROJECT, B) HOW FAR GOE IS LIKELY TO BE WILLING TO GO IN MEETING FORD'S ESSENTIAL REQUIREMENTS. ON THE BASIS OF THEIR FINDINGS, THEY CAN THEN MAKE A DETERMINATION OF WHETHER FORD WISHES TO PROCEED OR LOOK FOR AMORE ATTRACTIVE LOCATION FOR SUCH A PROJECT.

4. SHAFEI AGREED THAT THIS IS EXACTLY WHAT FORD OUGHT TO DO, INCLUDING SEEING THE PRIMIN.  
EILTS

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NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AUTOMOTIVE INDUSTRY, FOREIGN INVESTMENTS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 31 JUL 1976  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** KelleyW0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976CAIRO10292  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** EXDIS  
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**Page Count:** 2  
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**Previous Handling Restrictions:** EXDIS  
**Reference:** 76 CAIRO 10100  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** KelleyW0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 08 JUN 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <08 JUN 2004 by ellisoob>; APPROVED <26 OCT 2004 by KelleyW0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** FORD PROJECT  
**TAGS:** PFOR, EINV, EG, US, FORD  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006